

OFFICE OF THE DIRECTOR

**DEPARTMENT OF MOTOR VEHICLES**

P.O. BOX 932328

SACRAMENTO, CA 94232-3280

**TITLE 13: DEPARTMENT OF MOTOR VEHICLES****NOTICE IS HEREBY GIVEN**

The Department of Motor Vehicles (the department) proposes to amend Sections 225.03, 225.09, 225.12, 225.18, 225.21, 225.42, 225.45, 225.48, 225.51, 225.54, and 225.72, and adopt Section 225.35, in Chapter 1, Division 1, Article 3.6, of Title 13, California Code of Regulations to implement a renewal process, amend financial security options, enhance the electronic security process and provide additional registration and titling transaction options.

**PUBLIC HEARING**

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 P.M., fifteen (15) days prior to the close of the written comment period.

**DEADLINE FOR WRITTEN COMMENTS**

Any interested person or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than 5:00 P.M. on *August 22, 2005*, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulations.

**AUTHORITY AND REFERENCE**

The department proposes to adopt the proposed action under the authority granted by Vehicle Code section 1651, in order to implement, interpret or make specific Section 1685 of the Vehicle Code.

**INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

Vehicle Code section 1685 authorizes the department to contract with private industry partners to electronically process and update registration and titling transactions. The intent of this proposed regulation is to implement a renewal process, amend the financial security options, enhance the electronic security process, and provide additional registration and titling transaction options.

**§225.03 Application Requirements.** Section 225.03 would identify new revision dates for the initial application forms, identify the BPA Program Administrator's current mail station, would amend the fingerprint process to repeal the Federal Bureau of Investigation (FBI) fingerprint check and would adopt a new initial application requirement for a business partner applicant that is also a registration service or a dealer.

**§225.09 Financial Security Requirements.** Section 225.09 is proposed to amend the bond language to conform to the department's standard bond language and identify the new surety bond form. This section would repeal the irrevocable letter of

credit as an option to the surety bond requirement and would adopt a cash deposit option. The amount of financial security required in the surety bond for second-line business partners would be amended based on the type of registration and titling transaction. This section would allow a surety bond rider to be accepted when adding registration and/or titling transactions to an existing surety bond.

**§225.12 Business Partner Contract.** Section 225.12 is proposed to provide the business partners a date when a renewal application may be submitted.

**§225.18 Cause for Refusal to Enter into a Contract and Issue a Permit.** Section 225.18 is proposed to amend for minor changes of punctuation.

**§225.21 Review of Criminal History Information.** Section 225.21 is proposed to amend for minor changes of punctuation.

**§225.35 Renewal.** Section 225.35 is proposed to be added to inform the business partners of the renewal application requirements.

**§225.42 Business Partner Changes.** Section 225.42 is proposed to amend to update the mail station identified to send forms.

**§225.45 Customer Fees.** Section 225.45 is proposed to amend to add another exemption to the Business Partner Automation Disclaimer form, REG 4020 requirement and adds the maximum amounts for the additional types of vehicle and titling transactions.

**§225.48 Transaction Fee.** Section 225.48 is proposed to amend to add the additional types of vehicle registration and titling transactions that would require the \$3 transaction fee and update the mail station designated for payment of the transaction fee.

**§225.51 Information Security Requirements.** Section 225.51 is proposed to amend to identify the new interface conduit process and accompanying information technology security handbook for the Internet interface.

**§225.54 Transaction Procedures and Inventory Requirements.** Section 225.54 is proposed to amend the section to identify the new revision date to the transaction and control inventory handbook that will include the procedures for the additional registration and titling transactions.

**§225.72 Voluntary Closing.** Section 225.72 is proposed to amend to update the mail station for the BPA Program Administrator and the department's Field Office support Unit.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

- Business Partner Automation Application First-Line Business Partner form, REG. 4024 (REV. 4/2005).
- Business Partner Automation Application Second-Line Business Partner form, REG. 4025 (REV. 4/2005).
- Business Partner Automation Application First-Line Service Provider form, REG. 4023 (REV. 4/2005).

- Occupational License form, OL 39 (No Revision Date)
- Business partner Automation Surety Bond form, REG 866 (REV. 4/2005)
- IT Security Guidelines for Use in BPA Program form, (January 2004)
- Business Partner Automation Program Renewal Application form, REG 5056 (REV. 2/2005)
- California DMV Security Requirements for the Internet—Business Partners (Revised November 2004).
- BPA Transaction Procedures and Inventory Requirements Handbook (April 13, 2005)

These forms are not published in Title 13 because it would be impractical and cumbersome to publish the forms in the department's regulations. The forms are presently available from the department and may be found on the department's website at [www.dmv.ca.gov](http://www.dmv.ca.gov).

### **FISCAL IMPACT STATEMENT**

- Cost Or Savings To Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Cost Impact on Representative Private Persons or Businesses: The department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The proposed regulations implement existing statutes by implementing a renewal process, amending the financial security options, enhancing the electronic security process, and providing additional registration and titling transactions.
- Effect on Housing Costs: None.

### **DETERMINATIONS**

The department has made the following initial determinations concerning the proposed regulatory action:

- The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. No studies or data were relied upon in support of this proposal.
- The adoption of this regulatory action will neither create nor eliminate jobs or create businesses in the state of California, will not result in the elimination of existing businesses, and will not reduce or expand businesses currently doing business in the state of California.
- The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- The proposed regulatory action will not affect small businesses because the proposed regulatory action implements existing statutes by implementing a renewal process, amending the financial security options, enhancing the electronic security process, and providing additional registration and titling transactions.

## **PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS**

A pre-notice workshop, pursuant to Government Code section 11346.45, were held on February 3, 2005, and April 21, 2005, to address issues amended or added in the proposal.

## **ALTERNATIVES CONSIDERED**

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action.

## **CONTACT PERSON**

Inquiries relevant to the proposed action and questions on the substance of the proposed regulations should be directed to the department representative, Christie Patrick, Department of Motor Vehicles, P.O. Box 932382, Mail Station E-244, Sacramento, California 94232-3820; telephone number (916) 657-5567, or [cpatrick@dmv.ca.gov](mailto:cpatrick@dmv.ca.gov). In the absence of the department representative, inquiries may be directed to the Regulations Coordinator, Deborah Baity, at (916) 657-5690 or e-mail [dbaity@dmv.ca.gov](mailto:dbaity@dmv.ca.gov). The fax number for the Regulations Branch is (916) 657-1204.

## **AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS**

The department has prepared an initial statement of reasons for the proposed action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the express terms of the proposed action using underline or italics to indicate additions to, and strikethrough to indicate deletions from, the California Code of Regulations. The contact person identified in this notice shall also make available to the public upon request the final statement of reasons, and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of Proposed Regulatory Action, the Initial Statement of Reasons and Express Terms) may be accessed at [www.dmv.ca.gov/about/lad/regactions.htm](http://www.dmv.ca.gov/about/lad/regactions.htm).

## **AVAILABILITY OF MODIFIED TEXT**

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.